

The USD is trading mixed on quiet holiday trading with much of Europe on Easter break. The market reaction to Friday's mostly in-line U.S. Non-farm payroll data has been muted. This week we await several key pieces of inflation data with CPI (Wed), PPI, Import Price data and Retail Sales (Fri) figures released. The headline CPI is projected to show a slight 0.2% m/m gain and a 5.20% y/y rise. The market is now pricing in a greater chance of a 25 bp increase from the Fed in May due to the mostly upbeat jobs data. Global risk sentiment did take a hit on the back of increasing U.S./China tensions over Taiwan, which is supportive to the USD's safe-haven designation. Have a great week!

**JPY:** The Bank of Japan's Governor Kuroda's term ended this past weekend. During new Governor Ueda's inauguration speech, he ruled out a major policy shift and wants to avoid a sudden normalization of policy as it would cause a huge market impact. The comments weighed on the JPY and boosts support to the USD/JPY.

**CAD:** All attention is towards the BoC's rate announcement this Wednesday, not necessarily on the target rate but on the accompanying commentary from the Central Bank. There are signs of slowing growth in the Canadian economy, but the labor market remains tight and core inflation continues to remain problematic. The USD has run into strong resistance in the 1.35 level with support around 1.3410.

**EUR:** The Euro has started the week on the back-foot, dropping to the 1.085 level. The US Dollar begins the week noticeably stronger for the second consecutive session as traders continue to weigh the strong US job market and the upcoming CPI data this week.

**GBP:** The Great British Pound jumped to multi-month highs last week, topping out just below the 1.25 mark against the US Dollar before consolidating after the strong jobs report last week. Pound traders will be focused on the monthly GDP data out of the UK, which has been volatile due to labor strikes. The UK Office of Budget Responsibility is forecasting a second month of growth, raising hope that the UK will be able to avoid a recession.

EXCHANGE RATE		UPCOMING ECONOMIC RELEASES				
Currency	Rate	Date	Country	Economic Event	Prior	Forecast
EUR/USD	1.0852	04/11	JPY	Bank Lending YoY (Mar)	3.3%	
GBP/USD	1.2356		JPY	PPI MoM (Mar)	-0.4%	0.0%
AUD/USD	0.6623		USD	Fed Governor's Speeches		
NZD/USD	0.6196	04/12	USD	Core Inflation Rate YoY (Mar)	5.5%	5.6%
USD/CAD	1.3550		USD	CPI (Mar)	300.84	302.246
USD/MXN	18.3618		CAD	BoC Interest Rate Decision	4.50%	4.50%
USD/CHF	0.9101		USD	FOMC Minutes		
USD/JPY	133.33		AUD	Employment Change (Mar)	64.6k	20.0k
USD/SGD	1.3328	04/13	EUR	German Inflation Rate YoY (Mar)	8.7%	7.4%
USD/THB	34.375		GBP	GDP YoY (Feb)	0.0%	0.3%
USD/CNY	6.8818		USD	PPI MoM (Mar)	-0.1%	0.0%
		04/14	USD	Retail Sales MoM (Mar)	-0.4%	-0.4%
			USD	UofMichigan Consumer Sent (Apr)	62.0	62.3
			USD	Industrial Production MoM (Mar)	0.0%	0.2%